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NATIONAL INTELLIGENCE DAILY CABLE

Thursday November 4, 1976

State Dept. review  
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## LEBANON: Situation Report

[ ] Lebanese President Sarkis is in the final stage of reviewing a plan for implementing the cease-fire agreement and is expected to unveil and explain it before the end of the week. According to the original timetable established at the Riyadh summit, an expanded Arab League peace-keeping force was supposed to be assembled in Lebanon by tomorrow; the drawn out negotiations over how the forces should be deployed and the slow dispatch of additional peace-keeping troops will cause some delay, however.

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[ ] Troop movements from Syria to Lebanon early this week apparently involved Syrian forces only. The Saudi and Sudanese contributions to the force have apparently not yet arrived.

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[ ] An independent Beirut newspaper said yesterday that Sarkis has told his advisers he will not begin implementing the peace plan with only Syrian troops but will wait for the arrival of other Arab forces.

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[ ] Neither Sarkis nor any of the Arab League mediators has made further comments on a plan to incorporate soldiers from the regular Lebanese army in the League force.

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[ ] Unusually optimistic statements yesterday from Christian leaders Pierre Jumayyil and Camille Shamun on the prospects for peace suggest that some such plan has been adopted. In an about face, the two leaders are now publicly praising the efforts of League negotiators and the "new" understanding among other Arab leaders of "realities" in Lebanon.

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[ ] Leftist leader Kamal Jumblatt has reacted to Christian optimism with suspicion and yesterday raised new conditions for his compliance with the Riyadh agreement. Among those that will be totally unacceptable to other parties to the dispute are his

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[redacted]

demands that Egypt contribute troops to the League force and that 8,000-10,000 peace-keeping troops be used in the first phase of implementing the cease-fire. Egypt has repeatedly said that it will not participate directly in the peace-keeping operation.

[redacted] //A senior Syrian military officer in an unusually frank exchange with a US official yesterday acknowledged that some Palestinians were moving back into the Arqub region and southern Lebanon, and that more would be going to these areas. Although the Syrian officer did not confirm that the Syrians were encouraging this movement, as other sources have suggested, he implied as much.//

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[redacted] //The Syrian officer emphasized that the Cairo accords guaranteed the Palestinians the right to operate from the Arqub and that Damascus, in turn, endorsed the Cairo accords. He also stressed that as a result of the fall of Tall Zatar and other Palestinian camps, many had no other place to go except the south.//

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[redacted] //The Syrians have heretofore avoided discussing issues involving the return of Palestinians to these areas because of Israel's repeated warnings that it will not tolerate a resumption of Palestinian cross-border raids and other anti-Israeli activity. The Syrian officer's remarks, however, should not be taken as an indication that Damascus plans to encourage fedayeen operations against Israel or that Syria has abandoned its principal goal of reining in the Palestinians in areas where they can be brought under effective Syrian military control.//

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[redacted] There is as yet no evidence that large numbers of Palestinians are moving southward. Some units of the Palestine Liberation Army, which are thought to be under Syria's control, recently returned to southern Lebanon, and it is possible that Syria intends to use these and its other Palestinian assets to help control the activity of militant groups. [redacted]

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## ANGOLA: Party Decisions

[ ] Angolan President Agostinho Neto is assuming the functions of prime minister, thereby becoming head of government as well as chief of state and party leader of the Popular Movement. This announcement was included in a lengthy statement issued after a recently concluded Central Committee plenary session. No new position has been announced for former prime minister Nascimento.

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[ ] The statement also sets forth a broad-ranging program for Angola's political and economic development that carries a strong Marxist thrust, calling for goals to be pursued in the context of "scientific socialism." This follows Neto's signature in Moscow last month of a Soviet-Angola "friendship treaty" and a party-to-party agreement.

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[ ] The new program and Neto's becoming Angola's paramount political figure may have constituted a package put together to accommodate factional differences within the Popular Movement. Some elements of the program differ considerably from policies that Neto earlier espoused.

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[ ] Heretofore, Neto has been identified with efforts to broaden Angola's economic and political ties with the West and to follow a policy of nonalignment. The statement includes references to such policies, but places heavy stress on Angola's special relations with the USSR and Cuba.

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[ ] In the economic sector, the new program calls for strong state control over the economy through nationalization and centralized planning. Provision is made for a private sector, but it is to be subjected to strict controls. Until now, the Angolan government has appeared anxious to maintain Angola's access to Western markets and technology.

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[ ] The Popular Movement is charged with a major role in mobilizing popular support for the regime. It will have direct authority over all mass organizations and will assume the functions of the information ministry, which is to be abolished.

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[redacted] The Central Committee also approved a five-year plan for reorganizing and upgrading the country's armed forces. This will undoubtedly be carried out under Soviet and Cuban direction.

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[redacted] The Central Committee's announcement is not likely to sit well with some of Angola's neighbors, who were upset by the Angolan-Soviet friendship treaty.

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[redacted] The announcement is also likely to be viewed by Zairian President Mobutu as confirmation of his belief that Angola is a Soviet client.

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## IRAQ-SYRIA: Increasing Tension

[redacted] Iraq's closure of its border with Syria on Tuesday and the withdrawal of the Iraqi ambassador from Syria yesterday are the latest expressions of Baghdad's frustration over the Cairo summit's legitimization of Syria's role in Lebanon. The Baghdad press left no doubt as to Iraq's motive for recalling its ambassador, assailing Damascus' intervention in Lebanon.

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[redacted] The timing of the Iraqi military activity near the border could be a signal that Baghdad is still not prepared to accept, as have most other Arabs, Syria's dominant role in Lebanon. A test of air raid sirens and a blackout drill scheduled for next Monday in Baghdad is unusual and may be part of Iraq's campaign of nerves intended to create more tension in its relations with Damascus and build up anti-Syrian opinion.

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[redacted] There are signs, however, that the Iraqis are becoming uncomfortable with their isolated stance on Lebanon, one that puts them in the exposed position of being opposed to Cairo summit resolutions aimed at ending the fighting in Lebanon. An Iraqi broadcast on Tuesday reporting a visit by an emissary of Lebanese President Sarkis, stressed that Iraq would work to restore peace in Lebanon and implied that it would contribute financially to Lebanon's reconstruction.

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**ALBANIA: Party Line Toward China**

[ ] Party chief Hoxha's line toward China at the Albanian party congress this week was more guarded than at the Albanian congress in 1971, but it was not as negative as has been portrayed in the press. Relations with China have cooled some what since 1971, and the uncertainties of dealing with the new Chinese leadership apparently prompted some Albanian reserve.

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[ ] Hoxha gave priority to China, however, in the foreign policy section of his speech. He praised Chinese economic and material assistance, although he told his audience that self-reliance was the watchword for the Albanian people.

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[ ] Hoxha lauded Mao Tse-tung and noted the "counterrevolutionary plots" of Lin Piao and Teng Hsiao-ping. He made no reference, however, to the new Chinese leaders, nor did he mention the recent purge of Chinese leftists. One of the ousted Chinese radicals, Politburo member and propagandist Yao Wen-yuan, had received an enthusiastic welcome in late 1974 on a visit to Tirana.

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[ ] Informed diplomats in Tirana have reported a cooling in relations between China and Albania. After a recent visit to the Albanian capital, a French commercial delegation emphasized, however, that China remains Albania's leading trade partner with about 50 percent of the country's trade.

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[ ] The French believe that the Albanians are not satisfied with their trade with Eastern Europe and are very cautiously thinking of enlarging economic contacts with the West.

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[redacted] This is a course that has been urged by the Chinese for some time. Hoxha devoted a large part of his foreign policy comments to the need for maintaining ideological defenses, but at the same time pursuing economic and trade relations with the outside world. [redacted]

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#### USSR: Barents Sea Dispute

[redacted] The Soviets fired three ICBMs into a disputed area of the Barents Sea on Tuesday.

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[redacted] The USSR and Norway have been negotiating over the continental shelf boundary in the Barents Sea for more than two years. //Norway speculates that the missile firings may be intended to strengthen the Soviet position in the negotiations.// The Soviets apparently are concerned that economic development of the area by Norway might restrict their use of the passage between Svalbard and the Norwegian mainland.

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[redacted] In addition to the possible influence on negotiations with Norway, however, these missile launches may serve other purposes. The Soviets are dismantling their SS-7 launchers to conform to requirements of the interim agreement on strategic offensive arms, and the firings are an expeditious means of emptying the silos.

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ITALY: Concessions to Communists

[ ] Italian Prime Minister Andreotti has moved to compromise with the Communists on the formulation of economic policy by agreeing to bilateral consultations with them and the leaders of other parties on further economic austerity measures.

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[ ] The concession by Andreotti prompted the postponement of the cabinet meeting that had been slated to discuss the economic program prior to the parliamentary debate next week.

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[ ] Communist Party chief Berlinguer had proposed last week that the government meet in a conference with all non-government parties, except the neo-fascists, to discuss the proposed austerity program, which Berlinguer termed inadequate. The Christian Democrats rejected Berlinguer's formula--which would have been a long step toward the Communists' demand for an "emergency government"--but the Prime Minister has sought to soften his party's action by offering to meet formally with the Communists.

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[ ] The arrangement allows the Communists to present a victory of sorts to their rank and file, who continue to question whether the party is getting enough in return for its present cooperation with the government. This concession is not likely to satisfy the Communist leaders for long, however, and further demands for tangible evidence of their influence on the government are almost certain.

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[ ] The parliamentary debate on the austerity measures, which will begin next Wednesday, could be stormy. Two parties are already preparing to challenge the economic program. The Socialists, feeling themselves badly outmaneuvered by the Communists, reportedly are preparing to submit their own alternative austerity program during the debate. The fiscally conservative Republicans apparently plan to offer suggestions designed to frustrate Andreotti's efforts to tread a fine line between the demands of the unions and those of the non-communist parties which continue to support his government through their abstentions. [ ]

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**PORTUGAL: Conflict in Socialist Party**

[ ] The resignation yesterday of Portuguese Agriculture Minister Lopes Cardoso, one of two left-wing Socialists in the cabinet, points up the continuing strains within the ruling Socialist Party.

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[ ] The strains between the Marxist left wing and the social democratic faction were also evident at the party congress last weekend. The two factions avoided an open split, but Prime Minister Soares and his more conservative wing failed to get leftist support for a single slate of candidates for the party's national committee. The leftists, led by Lopes Cardoso, presented a rival slate and eventually secured a third of the national committee seats.

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[ ] The reasons for Lopes Cardoso's apparently voluntary resignation two days after the congress are not known, but the militant Conservative Farmers Confederation has been pressing for his removal for the past year. Lopes Cardoso has won the support of the Communists and other leftists with his backing of the agrarian reform legislation formulated under the pro-Communist Goncalves regime, which was strongly criticized by Prime Minister Soares at the recent party congress.

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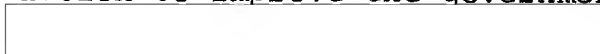


Eanes apparently believes that the removal of the leftists will make the cabinet more decisive. His hopes are likely to be disappointed, however, and before long Soares is likely to come under pressure from the President for further action to improve the government's performance.

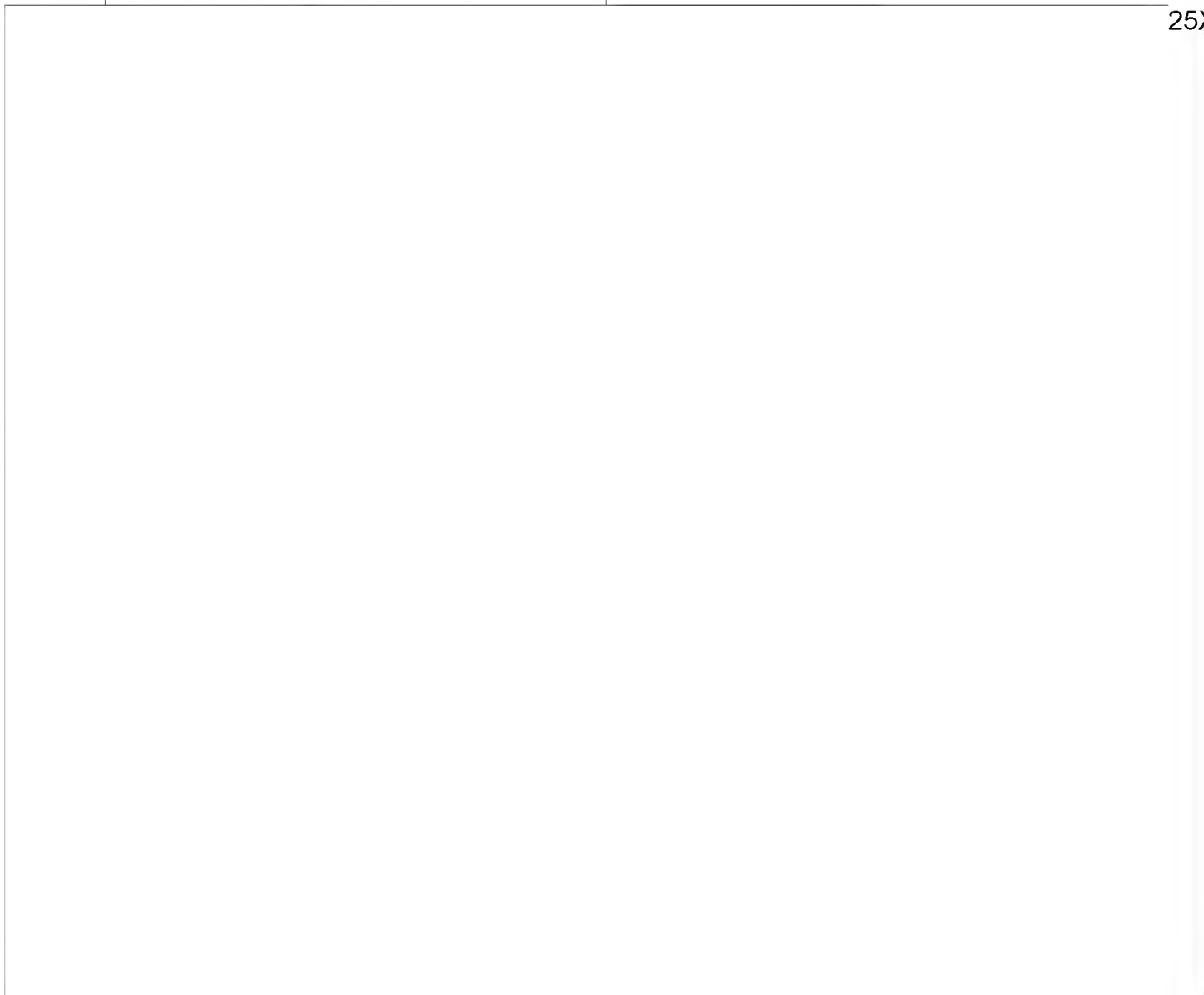
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